



Wes Moore  
Governor  
Aruna Miller  
Lieutenant Governor  
Paul J. Wiedefeld  
Secretary

February 29, 2024

The Honorable Brian J. Feldman  
Chair, Senate Education, Energy, and the Environment Committee  
2 West, Miller Senate Office Building  
Annapolis MD 21401

**Re: Letter of Information – Senate Bill 570 – Thermal Energy Network Systems - Authorization and Establishment (Working for Accessible Renewable Maryland Thermal Heat (WARMTH) Act)**

Dear Chair Feldman and Committee Members:

The Maryland Department of Transportation (MDOT) offers the following information on Senate Bill 570 for the Committee’s consideration.

Senate Bill 570 requires that to the extent practicable and authorized by the U.S. Constitution, an approved pilot system applicant and the Maryland Environmental Service (MES) must comply with the State’s Minority Business Enterprise (MBE) Program.

Senate Bill 570 requires within six months after the approval of a pilot system, the Governor’s Office of Small, Minority, and Women Business Affairs (GOSBA), in consultation with the Office of the Attorney General (OAG) and the gas company operating the approved pilot system, must establish a clear plan for setting reasonable and appropriate MBE participation goals. Requirements of the State’s Certified Local Farm and Fish Program must also be considered in the goalsetting and establishment of procedures for the pilot program.

To evaluate compliance with relevant federal law and constitutional requirements regarding race-conscious contracting programs, MES and MDOT must initiate an analysis of the thermal energy industry to determine whether statistically significant disparities exist in the availability versus utilization of women and minority owned firms, which is likely attributable to marketplace discrimination. Efforts to apply the MBE program to nascent industries or private actors operating in the State (e.g., gas companies), require a predicate study/analysis be conducted to determine the legal defensibility of such measures. For the Committee’s awareness, MDOT is statutorily required to produce various disparity studies/analyses for other nascent industries prior to the 2026 legislative session.

The Maryland Department of Transportation respectfully requests the Committee consider this information during its deliberations of Senate Bill 570.

Respectfully submitted,

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